



CITIZENS TELEPHONE COMPANY EX PARTE OR LATE FILED

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January 18, 1994

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Mr. Reed Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W. Room 814
Washington, D.C. 20554

RE: PP Docket No. 93-253

Dear Mr. Hundt:

We are writing to express our support for the positions and proposals set forth on behalf of small rural telephone companies by various commenters in the above-referenced proceeding. The adoption of these positions and proposals, as summarized in the attachment to this letter, will foster the objectives of the Congressional mandate to ensure the deployment of Personal Communications Services in rural America and the participation of rural telephone companies in the provision of these services.

Citizens Telephone Company is a small, independent company serving approximately 3700 access lines in Lafayette County of Missouri. We are employee-owned through an Employee Stock Ownership Plan and Trust. We have been providing telecommunications services to our communities since as early as 1908. We are here because no other entities wished to serve our rural area.

Independent companies, like Citizens Telephone, must be given the opportunity to provide PCS and any other similar new services in our respective territories. To do otherwise would be to turn our backs on the very folks that brought communications to the rural areas of our Nation.

Sincerely,

Jeffrey A. Sappington
Controller

cc: Commissioner James H. Quello
Commissioner Andrew C. Barrett
Commissioner Ervin S. Duggan
Tom Stanley, Chief Engineer, Office of Engineering & Technology
Robert Pepper, Chief, Office of Plans and Policy
John Winston, Director, Small Business Activities Office
Office of the Secretary of the FCC (2 copies)
The Honorable John Danforth and Christopher Bond, U.S. Senate
The Honorable Ike Skelton, U.S. House of Representatives

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SUMMARY OF POSITIONS OF INDEPENDENT TELEPHONE COMPANIES

- Entities applying to utilize available spectrum as an "intermediate link" between other facilities, should only be subject to a competing application by an applicant that proposes to utilize (not resell) the spectrum for a similar purpose.
- Only open oral (including real time electronic) bidding should be permitted in order to promote an open and fair process.
- Smaller bands of spectrum should be auctioned first. Within each block, areas should be from least to most population.
- Combinatorial bidding should not be permitted. If permitted, sealed bidders should not be permitted to participate in the oral bidding for the individual licenses.
- Minimum bids may artificially limit participation of potential service providers.
- Full payment from all bidders except "designated entities" (i.e., rural telcos, small businesses, minorities, and women) should be a condition to receiving the license.
- Independents should qualify for a preference based on two factors: as a rural carrier and a small business. A rural telephone company should be defined as one serving fewer than 50,000 access lines or alternatively, as a rural telco that serves communities with populations under 10,000.
- Independents should be eligible for designated entity preferences for licenses in all areas, both inside and outside of their telephone service areas.
- With regard to PCS, rural telcos should be eligible to bid for the channel blocks set aside for designated entity groups. Rural telcos that lose the bid for the set aside blocks should be permitted to apply to partition the license area prior to construction by the successful bidder.
- Designated groups should be entitled to certain preferences in bidding for any channel block, including deferred payment of the bid price. Tax credits should be given to any entity that sells spectrum to a designated entity.
- Consortia eligible for preferences must be under the control of individuals and/or entities that are individually eligible for the preference.
- Transfers of licenses from one designated entity to another should not be restricted.
- Rural telephone companies should be afforded the opportunity to provide PCS to their exchange areas. This opportunity should be granted regardless of participation in a rural cellular area, particularly if such involvement is on a limited-partner basis.